Uniform Physical Condition Standards for the Voucher Program (UPCS-V)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

September 2016
Rational For Change

• HQS has its “challenges”
  – Developed in the 70’s – infrequent updates
  – Highly subjective and inconsistent
  – Does not adequately address health and safety issues
  – Impedes PHAs from doing their job correctly
  – Not technology enabling
  – No way to describe quality of a Voucher unit

• HUD lacks insight and oversight
  – No voucher inspection data comes to HUD
  – No idea as to the condition of voucher-assisted housing
  – All inspection-related performance indicators are self-certified and lack HUD controls
Federal Audits

• **1994** GAO Audit Report:
  – Lack of enforcement of HQS on owners
  – Inconsistencies in housing quality/stock
  – Substandard housing long documented but not remedied

• **2008** OIG finding:
  – HUD lacked controls and oversight of the HCV inspection process

• **2015** OED examined 24 HUD OIG Reports on HQS:
  – PHA lacked adequate procedures and controls to ensure units meet HUD’s HQS
  – Inspectors were not properly identifying unit deficiencies during the physical inspections
  – Not accurately capturing all deficiencies

• **2016** Senate Appropriations Explanatory Statement: “...directs HUD to implement a single inspection protocol for public housing and voucher units in FY2016.”
HUD Quality Control Inspections

• **2014** REAC completed 27,000 quality control inspections:
  – Inconsistency pervasive throughout the HQS process
  – QC under HQS is resource intensive
  – Unable to realize efficiencies of scale or technology
  – HQS not accommodating of an electronic data model
What is UPCS-V?

• Replacement standard for HCV program, while:
  – Retaining the core concepts of a Voucher Inspection
  – Giving tenants and owners access to more detailed information about their home
  – Address shortcomings of HQS

• More consistent way to describe and exchange information about the quality of units through:
  – A fully-electronic data capturing tool
  – Decision Trees
  – A Quantitative method to describe quality of voucher units (UCI)

• Training, guidance, and oversight for consistent and accurate results
Sample HQS Inspection

<table>
<thead>
<tr>
<th>Item No.</th>
<th>1. Living Room</th>
<th>Yes Pass</th>
<th>No Fail</th>
<th>In- Conc.</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Living Room Present</td>
<td></td>
<td></td>
<td></td>
<td>RECAULK SLIDING DOOR FRAME</td>
</tr>
<tr>
<td>1.2</td>
<td>Electricity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Electrical Hazards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>Security</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Which one?  
What’s the security impact?
Sample HQS Inspection

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5</td>
<td>Window Condition</td>
<td>✓</td>
<td>Replace broken window blinds through out unit</td>
</tr>
<tr>
<td>4.6</td>
<td>Ceiling Condition</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4.7</td>
<td>Wall Condition</td>
<td>✓</td>
<td>All previously repairs to be sand and painted throughout</td>
</tr>
<tr>
<td>4.8</td>
<td>Floor Condition</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

- Why are window blinds a fail?
- Is window condition appropriate category?
- Unclear how to resolve wall failure.
### Sample HQS Inspection

<table>
<thead>
<tr>
<th>3.11 Fixed Wash Basin or Lavatory in Unit</th>
<th>✓</th>
<th>Notes: sink draining slow Responsibility: Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4 Condition of Exterior Surfaces</td>
<td>✓</td>
<td>Repair all deep cracks in driveway</td>
</tr>
<tr>
<td>6.5 Condition of Chimney</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Repairs mandated vs. deficiencies cited
- Unclear who has responsibility to make repairs
## Sample HQS Inspection

<table>
<thead>
<tr>
<th>2.9</th>
<th>Lead-Based Paint</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are all painted surfaces free of deteriorated paint?</td>
</tr>
<tr>
<td></td>
<td>If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?</td>
</tr>
<tr>
<td>X</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.10</th>
<th>Stove or Range with Oven</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>gas OVEN GAS,ET IS MISSING/INSTALL 11/13/2014</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.11</th>
<th>Refrigerator</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.12</th>
<th>Sink</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.13</th>
<th>Space for Storage, Preparation, and Serving of Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

*Only Inspector understand comments*
HCV Physical Inspection and Oversight Program

Current State:

- HQS Inspection Standards

Future State:

- New Inspection Standard & Protocol
- QA & QC Program
- UPCS- V Process
- Unit Condition Index (Scoring)
- IT Solution
Unit Condition Index

Provides objectively measured condition of the unit based on a standardized criteria to describe quality of a Voucher unit.

- Deficiencies would be classified on an escalating scale:
  - From minor (L1) to significant (L3), and
  - Critical deficiencies may be further classified as life threatening (LT) or emergency (E).

- Score does not decide if a unit passes or fails, this is management tool for PHAs.
- It is used only to inform on the condition of the unit. Only the deficiencies that will directly impact habitability will fail the inspection.
### Deficiencies:
Fail conditions that must be fixed or addressed

<table>
<thead>
<tr>
<th>Fail:</th>
</tr>
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<tbody>
<tr>
<td>24 Hour Fail</td>
</tr>
<tr>
<td>Regular (30 day) Fail</td>
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### Observations:
Items noted, but pass the inspection

<table>
<thead>
<tr>
<th>Pass:</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Comment</td>
</tr>
<tr>
<td>Inspector Discretion</td>
</tr>
<tr>
<td>Comment Per Guidance</td>
</tr>
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### Punch list between landlord and PHA

### Detailed record to share with tenants and landlords

#### UPCS-V Deficiencies

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<thead>
<tr>
<th>Fail:</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Defects</td>
</tr>
<tr>
<td>L1 Minor Defect</td>
</tr>
<tr>
<td>L2 Major Defect</td>
</tr>
<tr>
<td>L3 Significant Defect</td>
</tr>
</tbody>
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#### HQS

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</tr>
<tr>
<td>L3 Significant Defect</td>
</tr>
</tbody>
</table>
Sample Decision Tree

- Inspectable Area
  - Inspectable Item
    - Defect
      - Decision 1
        - PASS
          - L1
      - Decision 2
        - PASS
          - L2
      - Decision 3
        - FAIL
          - L3

Condition or Outcome
Sample Inspection App
Sample Decision Tree
Sample Decision Tree

- Electrical
  - Lighting
  - Receptacles (Outlets)/Switches
  - Disconnected Utilities
  - AFCI Inoperable
  - Blocked Access to Electrical Panel
  - Breakers or Fuses
  - Burnt Breakers
  - Evidence of Leaks/Corrosion
  - Frayed Wiring
  - GFCI Inoperable
  - Missing Covers
Sample Decision Tree

- Missing
- Broken, and electrical connections or wires are exposed
- Inoperable
- Not properly wired
- Missing or broken cover plates with wires exposed
- Receptacles within 6 feet of a kitchen, bathroom, laundry sink, or on the exterior of the unit are not GFCI protected
- The GFCI device does not function when tested
- The AFCI does not function when tested
Sample Decision Tree

Receptacles (Outlets)/Switches

- Missing
- Broken, and electrical connections or wires are exposed
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Sample Decision Tree
Back to Home Screen
# Sample UPCS-V Inspection Report

<table>
<thead>
<tr>
<th>Item</th>
<th>Location</th>
<th>Result</th>
<th>Decision</th>
<th>Healthy Homes #</th>
<th>Photo #</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deficiency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toilet</td>
<td>Bath1 Floor1</td>
<td>Fail L3 Emergency (Owner)</td>
<td>-The shut-off valve of supply line leaks -A steady leak -Unable to control the flow of water</td>
<td>1,18</td>
<td>1</td>
</tr>
<tr>
<td><strong>Observation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windows</td>
<td>BR1 Floor2 LftFrnt</td>
<td>Pass L3 (Owner)</td>
<td>-Caulking, Seals, or Glazing Compound -There is condensation or discoloration between the glass panes of a thermal pane</td>
<td>2, 3</td>
<td>n/a</td>
</tr>
</tbody>
</table>
How is UPCS-V designed?

- Project-based UPCS, optimized for the needs of the voucher program - *Unit Based Inspection*
- Technology
- Decision Tree driven
  - Increased accuracy
  - Self generating comments
  - Detailed record to share with tenants and landlords
  - Citing deficiencies as the inspector sees them
- Applied rationale for what should pass or fail a unit
- Updated health and safety defects by looking at model codes and other inspection standards
- Risk Modeling
  - Ability to ID trends & quantify units
  - Resource Allocation
Unit Condition Index

- Lease Rent vs. Average Rent
- Scores and Fails Last 7 Days
- LTEs and Deficiencies by Category
- Most Common Fails for same Housing Types
- Deficiencies by Category
- HHRS Defects
## Benefits

<table>
<thead>
<tr>
<th>PHA</th>
<th>Landlord</th>
<th>Tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clearer understanding of Pass/Fail Items</td>
<td>• Predictable and consistent inspection requirements</td>
<td>• Increased knowledge of potential health and safety issues</td>
</tr>
<tr>
<td>• More accurate inspections with consistent results</td>
<td>• Detailed record of the units’ condition</td>
<td>• Ability to make a more informed housing decision</td>
</tr>
<tr>
<td>• Improved information on where to allocate resources (Biennials)</td>
<td>• Confidence that different inspectors will identify the same deficiencies the same way</td>
<td></td>
</tr>
<tr>
<td>• Increased ability to perform QC and oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Standardized no-cost to PHA training</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Where are we now?

- Federal Register Notice closed on July 5<sup>th</sup>, now entering testing period (Demonstration) that can last 1-3 years
- Data collected from Demonstration will be used to improve and refine UPCS-V

- 204 Agencies
- 43 States + DC + Puerto Rico & US Virgin Islands
- Extra Large – Extra Small
- ~ 36% of Total Vouchers Represented
Components of the UPCS-V Demonstration

- Consistency of inspections
- Effectiveness of Training
- IT Systems
- Feasibility of Implementation
How is the Demonstration going to work?

• **Phased Approach**
  – Everyone that volunteered is “in” the Demonstration
  – There will be different “Cohorts” to onboard PHAs
  – Starting with a small set of PHAs for us to stress-test UPCS-V.
  – Started training by beginning of September
  – As PHAs become proficient in UPCS-V, we will increase the numbers

• **Onboarding will depend on:**
  – PHA availability
  – Current state of PHA IT system
  – Number of Inspectors PHAs are able to dedicate to Demo
Where are we heading?

**Past**
- OED to shadow HQS inspections
- Software & Decision Tree stress testing
- Updated Decision Trees
- Protocol Document release

**Present**
- Started training PHAs on UPCS-V Aug. 29th – Sept. 31st
- PIH Listening Sessions
- Public outreach presentations on UPCS-V

**September – December**
- Train as many PHAs as possible!
- Release of Inspection App
- Refinement of Standard & Protocol

**January – Summer 2017**
- Continue training PHAs
- Online training tool
PHAs that still want to participate...

Housing Authorities that are still interested in participating please submit the following info:

- Name of PHA
- PHA Address
- Name of Point of Contact (POC)
- Phone Number of POC
- Email Address of POC

To: UPCSV@hud.gov